

SEKISUI CHEMICAL CO., LTD.

Notice Regarding Capital Increase in a Subsidiary, Changes in Subsidiaries

SEKISUI CHEMICAL CO., LTD. (here in after “SEKISUI CHEMICAL”) hereby announces that, at a meeting of its Board of Directors held on September 10, 2026, it resolved to increase the capital of SEKISUI HEIM CO., LTD., a wholly owned subsidiary of the Company.

As a result of this capital increase, the capital of SEKISUI HEIM CO., LTD. will become equal to or exceed 10% of SEKISUI CHEMICAL's capital, making it a specified subsidiary and constituting a change in subsidiaries, etc. as defined in the Securities Listing Regulations.

1. Purpose of the Capital Increase and Organizational Restructuring

The Housing Company of SEKISUI CHEMICAL will reorganize its group management structure with SEKISUI HEIM CO., LTD. as the regional management company for the Tokyo metropolitan area, with the aim of strengthening business competitiveness and improving management efficiency in the region.

This capital increase is being implemented as part of this reorganization in order to make SEKISUI HEIM CO., LTD. a specified subsidiary and establish a structure under which it oversees the group companies in the Tokyo metropolitan area. In addition, we will consolidate the Housing Company's group companies in the Tokyo metropolitan area under SEKISUI HEIM CO., LTD..

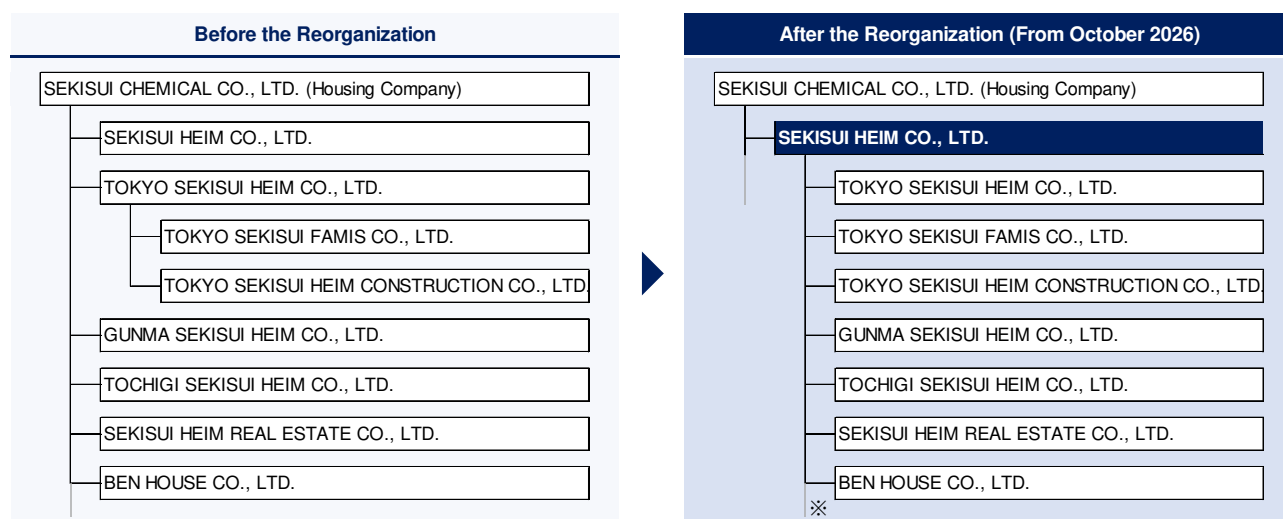
2. Overview of the Specified Subsidiary

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(1)	Company Name	SEKISUI HEIM CO., LTD.		
(2)	Location	2-10-4 Toranomom, Minato-ku, Tokyo		
(3)	Title and name of representative	Masahide Yoshida, Representative Director and President		
(4)	Business description	Holding shares in and providing management guidance and management services to companies engaged in the housing business		
(5)	Capital Amount before capital increase	30 million JPY		
(6)	Date of establishment	December 1, 1989		
(7)	Major shareholder and ownership ratio	SEKISUI CHEMICAL CO., LTD. 100%		
(8)	Relationship between the Company and the Relevant Company	Capital relationship	Wholly owned subsidiary of SEKISUI CHEMICAL	
		Personnel relationship	SEKISUI CHEMICAL dispatches directors.	
		Business relationship	The company uses the SEKISUI CHEMICAL Group's financing services and SEKISUI CHEMICAL 's trademarks and has transactions relating to advertising and promotional materials.	
(9) Financial Position and Operating Results for the Most Recent Three Fiscal Years				
As of / Fiscal year ended		March 2024	March 2025	March 2026
Net assets		188 million JPY	203 million JPY	221 million JPY
Total assets		1,057 million JPY	970 million JPY	597 million JPY
Net sales		3,721 million JPY	3,270 million JPY	2,954 million JPY
Operating profit		36 million JPY	23 million JPY	27 million JPY
Ordinary profit		35 million JPY	23 million JPY	25 million JPY
Profit		23 million JPY	15 million JPY	18 million JPY

3. Details of the Capital Increase

Item	Before capital increase	After capital increase
Capital	30 million JPY	13,000 million JPY
Ownership ratio	100%	100%

4. Organizational Restructuring Diagram



※We will continue to consider further organizational restructuring to strengthen the organizational structure, taking into account changes in the business environment and progress in the plan.

5. Schedule

(1)	Date of Resolution by the Board of Directors	September 10, 2026
(2)	Scheduled payment date for capital increase	October 1, 2026
(3)	Scheduled implementation date of organizational restructuring	October 1, 2026

6. Future Outlook

The impact of this organizational restructuring on SEKISUI CHEMICAL's consolidated financial results for the fiscal year ending March 2027 is expected to be minimal. If any matters requiring disclosure arise in the future, we will promptly make an announcement.